

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 1107 City of Inverness, Citrus County

SPONSOR(S): McClain

TIED BILLS: **IDEN./SIM. BILLS:**

FINAL HOUSE FLOOR ACTION: 106 Y's 1 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 1107 passed the House on February 25, 2022, and subsequently passed the Senate on March 10, 2022.

Florida's Beverage Law places a limit on the number of "quota licenses" that the Department of Business and Professional Regulation (DBPR) may issue per county. A quota license allows a business to serve any alcoholic beverage regardless of alcoholic content, including liquor. DBPR is not limited by the Beverage Law on the number of licenses it may issue for businesses that serve only malt beverages and wine.

The bill creates an exception to ch. 561, F.S., permitting licensed vendors located within the Downtown Inverness Entertainment District that are licensed to sell alcoholic beverages to patrons for consumption on the licensed premises to receive a special permit during special events, approved or declared by the City of Inverness, to allow for the sale of alcoholic beverages in open containers for consumption off the licensed premises but still within the entertainment district. The special permit is only valid for the duration of each special event approved by the city manager.

This bill does not appear to have a fiscal impact.

The bill was approved by the Governor on May 6, 2022, ch. 2022-246, L.O.F., and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

The Division of Alcoholic Beverages and Tobacco (Division) within the Department of Business and Professional Regulation (DBPR) is responsible for regulating the conduct, management, and operation of the manufacturing, packaging, distribution, and sale of alcoholic beverages within the state.¹ Chapters 561-565 and 567-568, F.S., comprise Florida's Beverage Law.

Under the Beverage Law, DBPR is not limited on the number of licenses it issues to businesses that sell malt beverages or wine. However, statute limits the number of licenses that may be issued under s. 565.02(1)(a)-(f), F.S., to one license per 7,500 residents per county with a minimum of three licenses per county that has approved the sale of intoxicating liquors.² This license, often referred to as a "quota license," allows a business to sell any alcoholic beverage regardless of alcoholic content, including liquor or distilled spirits.³

There are several exceptions to the quota license limitation,⁴ and businesses that meet the requirements set out in one of the exceptions may be issued a special license by DBPR allowing the business to serve any alcoholic beverages regardless of alcohol content.

Alcoholic beverages sold for consumption on premises must be consumed inside the licensed premises.⁵ DBPR may approve a temporary expansion of the licensed premises to include a sidewalk or other outdoor area for special events.⁶ The business must pay an application fee of \$100, stipulate the timeframe for the special event, submit a sketch outlining the expanded premises, and submit written approval from the county or municipality.

Effect of Proposed Changes

The bill creates an exception to ch. 561, F.S., permitting licensed vendors located within the Downtown Inverness Entertainment District that are licensed to sell alcoholic beverages to patrons for consumption on the licensed premises to receive a special permit during special events, approved or declared by the City of Inverness, to allow for the sale of alcoholic beverages in open containers for consumption off the licensed premises but still within the entertainment district. The special permit is only valid for the duration of each special event approved by the city manager.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

¹ S. 561.02, F.S.

² S. 561.20(1), F.S.

³ S. 565.02, F.S.

⁴ S. 561.20(2), F.S.

⁵ See s. 561.01(11), F.S. (defining "licensed premises" and requiring written approval from the county or municipality to include a sidewalk or any other outside area as part of the licensed premise).

⁶ S. 561.01(11), F.S.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 23, 2021.

WHERE? The *Citrus County Chronicle*, a daily newspaper published at Crystal River, in Citrus County, Florida.

E. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?